Indian partner/Indian public within 5 years and prior approval of State Government concerned in case of any future land use change) is prohibited.

(b) There is no proposal for allowing overseas Indians to buy farm-houses and plantations on small scale.

(c) and (d) Do not arise.

Changes in Banking Regulation Act, 1949

1563. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that management committee of Indian Banks Association has formed a panel to have a hard look at the Banking Regulation Act, 1949 to see the changes needed in the Act including issues relating to voting rights, etc.;

(b) if so, the details thereof and the reasons therefor; and

(c) what is Government's reaction on such a move?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. The Managing Committee of the Indian Banks' Association at its meeting held on 22.09.2006 had decided to constitute a Working Group for comprehensive review of the Banking Regulation Act, 1949. The object is to make suggestions for any modifications required to suit the needs and requirements of the banking industry in the context of the reform process under way in the financial market.

Voting rights for shareholders in Banks

1564. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to increase voting rights from 10 per cent to 26 per cent to private investors in private banks irrespective of their shareholdings;

(b) if so, the details thereof; and

(c) what will be the criteria of allowing voting rights among too many shareholders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) No, Sir. In view of the special nature of banks and the importance of ensuring that significant shareholders of a banking company are "fit and proper" persons, the Government introduced the Banking Regulation (Amendment) Bill, 2005 in Lok Sabha on 13th May, 2005. The Bill *inter alia* provides to remove the restrictions on voting rights concurrently with the stipulation of statutory requirement of prior approval for acquisition of shares above the specified limit. A new section 12(B) is being inserted to provide for prior approval RBI for acquisition of 5% or more of shares or voting rights in a banking company by any person and empowering RBI to impose such conditions as it deems fit in this regard, in order to satisfy itself that the acquisition of shares of the banking company is by a person considered "fit and proper". The rationale for removing cap on voting rights is to give shareholders a right to vote, which is commensurate with the equity capital held by them.

Funds for refinancing by NABARD

†1565. SHRI BANWARILAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) the total funds providing for financing by NABARD for development work in rural areas during current plan period; and

(b) the details of the schemes in Uttar Pradesh which are proposed to be provided with the assistance by NABARD?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Financial support provided by NABARD to the client institutions for development of rural areas during the current plan period is as under:—

†Original notice of the question was received in Hindi.